

## Message Text

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46

ACTION EA-09

INFO OCT-01 ISO-00 AS-01 AID-05 CIAE-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 /066 W

----- 057882

R 180823Z NOV 75

FM AMEMBASSY SEOUL

TO USDOC WASHDC

INFO SECSTATE WASHDC 3958

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMCONSUL HONG KONG

UNCLAS SEOUL 8912

DEPT PASS EXIMBANK

E.O. 11652: N/A

TAGS: ETRD, KS

SUBJ: MAJOR PROJECT - SAMSUNG PETROCHEMICAL PROJECT

1. PROJECT DESCRIPTION: SAMSUNG PETROCHEMICAL CO., LTD., INCORPORATED IN KOREA, HAS BEEN FORMED TO CONSTRUCT AND OPERATE A PURIFIED TEREPHTHALIC ACID (PTA) PETROCHEMICAL PLANT. THE PLANT WILL HAVE AN INITIAL CAPACITY OF 100,000 TONS PER ANNUM, AND WILL BE LOCATED AT ULSAN, SOUTHEAST COAST OF KOREA.

2. IMPLEMENTING OFFICE:

MR. LEE, EUN TAIK, PRESIDENT

SAMSUNG PETROCHEMICAL CO., LTD.

7TH FLOOR, DAE YON KAK BUILDING, 25-5, 1-KA, CHUNGMOO-RO,

CHUNG-KU, SEOUL, KOREA

TELEX: GOLDTEX K 27503.

3. COST & FINANCING: TOTAL PROJECT COSTS ARE ESTIMATED AT DOLLARS EIGHTY-SEVEN MILLION. FOREIGN EXCHANGE COSTS OF UNCLASSIFIED

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DOLLARS FIFTY-SEVEN MILLION WILL FINANCE IMPORT OF EQUIPMENT,

MATERIALS AND EMPLOYMENT OF FOREIGN CONSULTANT SERVICES. EQUITY INVESTMENT FROM CHEIL WOOL TEXTILE INDUSTRIAL CO., LTD., AN AFFILIATE OF THE SAMSUNG GROUP (50PCT), AMOCO INTERNATIONAL LIMITED, A WHOLLY OWNED SUBSIDIARY OF STANDARD OIL OF INDIANA (35PCT), AND MITSUI PETROCHEMICAL INDUSTRIES, LTD. (15PCT), WILL PROVIDE THE BALANCE OF FUNDS. THE SAMSUNG PETROCHEMICAL HAS NOT YET SECURED FINANCING OF FOREIGN COSTS ON THIS PROJECT, BUT WILL SUBMIT ALREQUEST THROUGH THE KOREAN ECONOMIC PLANNING BOARD FOR DOLLARS FIFTY-SEVEN MILLION IN US EXIM BANK FINANCING OF THE PROJECT COSTS.

4. EXPECTED BID DATES: TOYO ENGINEERING CO., OF JAPAN HAS COMPLETED THE BASIC ENGINEERING STUDY FOR THE PROJECT. SITE PREPARATION WORK WILL BE COMMENCED IN EARLY 1976. PLANT CONSTRUCTION IS SCHEDULED TO BEGIN IN MID-1976 WITH COMPLETION BY THE END OF CALENDAR YEAR 1977, DEPENDING ON AVAILABILITY OF FINANCING FOR FOREIGN EXCHANGE COSTS.

5. POTENTIAL U.S. SALES: U.S. INVOLVEMENT COULD INCLUDE PROJECT CONSULTING SERVICES FOR DETAILED ENGINEERING DESIGN, CONSTRUCTION SUPERVISION, PREPARATION OF THE SPECIFICATION AND TENDER DOCUMENTS FOR EQUIPMENT TO BE PURCHASED FOR SUBJECT PROJECT INCLUDING: PIPING (SEAMLESS & ALLOY STEEL PIPE), HEAT EXCHANGER, COOLER, FIRED HEATER, PRESSURE VESSEL, TANK, TOWER, DRUM, PUMP (HIGH PRESSURE PUMP, ALLOY STEEL), COMPRESSOR (RANGING FROM 100 HP TO 15,000 HP), BLOWER (50 HP TO 1,000 HP), MOTORS (OVER 100 HP), TRANSFORMERS (OVER 1,000 KVA), HIGH VOLTAGE SWITCH GEAR, CIRCUIT BREAKERS AND UNDERGROUND CABLE, QUALITY CONTROL AND TESTING INSTRUMENTS, FIRE TRUCKS AND FIRE FIGHTING EQUIPMENT.

6. POST COMMENTS: SUBJECT PROJECT IS INTENDED TO SUPPORT ROKG HEAVY AND CHEMICAL INDUSTRY DEVELOPMENT PLAN AND THUS RECEIVES A HIGH PRIORITY FROM ROKG PLANNERS. THE SAMSUNG GROUP, CHAIRMAN, LEE, BYUNG CHULL, IS THE LARGEST AND MOST DIVERSIFIED BUSINESS COMBINE IN THE ROK TODAY. SAMSUNG'S BUSINESS ACTIVITIES INCLUDE FOREIGN AND DOMESTIC TRADING, TEXTILE AND GARMENT PRODUCTION, INSURANCE, ELECTRONICS AND APPLIANCE PRODUCTION AND SALES, FOOD PROCESSING, BROADCASTING AND MEDIA, LAND DEVELOPMENT, TOURISM, AND EDUCATIONAL AND UNCLASSIFIED

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CULTURAL PROMOTION.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CHEMICAL INDUSTRY, CHEMICALS, BANK LOANS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 NOV 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975SEOUL08912  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750401-0238  
**From:** SEOUL  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19751132/aaaabciu.tel  
**Line Count:** 109  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** izenbei0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 27 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <27 AUG 2003 by chicheje>; APPROVED <18 FEB 2004 by izenbei0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MAJOR PROJECT - SAMSUNG PETROCHEMICAL PROJECT  
**TAGS:** ETRD, KS, XMB, SAMSUNG PETROCHEMICAL CO  
**To:** COM  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006